



October 9, 2014

To: Governing Board

Subject: **Board Stipend Policy Revisions**

Recommendation

Revise the Foothill Transit Executive Board and Governing Board Members Stipend Policy as follows:

1. Increase the stipend for the Executive Board and Governing Board annually based on the United States Department of Labor Consumer Price Index (CPI) for the Los Angeles Area and rounded to the nearest dollar; effective July 1, 2015; and
2. Increase the Executive Board maximum number of meetings per month eligible for a stipend from four to six effective July 1, 2015; and
3. Increase the stipend for Executive and Governing Board Alternates when representing Foothill Transit business annually based on CPI for the Los Angeles area and rounded to the nearest dollar effective July 1, 2015.

Analysis

The Stipend Policy for Foothill Transit Executive Board and Governing Board Members states that the Governing Board is given the power to define stipend amounts for both the Executive Board and itself.

At its inaugural meeting in 1988, the Foothill Transit Zone approved stipends for Executive Board members at \$100 per meeting, limited to two meetings per month.

As Foothill Transit grew, Executive Board members spent a significant amount of time devoted to the business interests of Foothill Transit and its responsibilities. These responsibilities often competed or interfered with members' job duties and/or other commitments. In light of this, the Governing Board approved a motion on May 1, 1996 that allowed Executive Board members to receive stipends for "\$100 per meeting when representing the business interests of Foothill Transit, not to exceed four meetings per month and excluding ceremonial appearances."

On May 10, 2000, the Governing Board took action to allow Governing Board members to receive a stipend of \$100 per meeting when representing the business interests of Foothill Transit, not to exceed six meetings per year and excluding ceremonial appearances.



**Special Governing Board Meeting – 10/09/14
Board Stipend Policy Revisions
Page 2**

This policy has served Foothill Transit and its Board members well since the organization's formation, but has not been adjusted since these major dates. At their May 2014 annual meeting, the Governing Board discussed at length a recommendation by the Executive Board to increase the stipend for both the Executive Board and Governing Board members and their alternates to \$150 per meeting and adjusted by CPI annually thereafter effective July 1, 2015. The Governing Board decided to oppose that recommendation and asked staff to return later in the year with a modified proposal.

Based on simple economics, it is recommended the stipend be subject to annual increases based on the rate of inflation and adjusted to the nearest dollar. Since July 1988 the inflation rate for the Los Angeles area has fluctuated between a high of 5.7 percent and a low of minus 2.6 percent averaging 2.8 percent per year. This would amount to an average annual stipend increase of approximately \$3. Also, there are months where the business of the agency requires the Executive Board to meet more than four times. It is therefore recommended that the cap on meetings subject to the stipend be increased to six per month. The proposed revised policy is attached.

Budget Impact

If approved, the increased rates will become effective in FY 2015-2016. The stipend increase will be included in Foothill Transit's FY 2015/2016 and future budgets.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Reyno".

David Reyno
Director of Government Relations

A handwritten signature in blue ink, appearing to read "Doran S. Barnes".

Doran S. Barnes
Executive Director

Attachment

Foothill Transit Executive Board and Governing Board Members Stipend Policy

~~Adopted May 10, 2000~~

Adopted October 9, 2014

The Governing Board is given the power to define stipend amounts for both the Executive Board and itself.

Executive Board Stipend Policy

~~The Governing Board approved a motion on May 1, 1996 that allowed **Executive Board members** to receive stipends for “\$100 per meeting when representing the business interests of Foothill Transit, **not to exceed four meetings per month** and excluding ceremonial appearances.”~~

Executive Board members shall receive a stipend of \$100 plus United States Department of Labor Bureau of Labor Statistics Los Angeles Area Consumer Price Index (CPI) per meeting when representing the business interests of Foothill Transit, **not to exceed ~~four meetings~~ six meetings per month** and excluding ceremonial appearances effective July 1, 2015 and increased annually thereafter based on CPI to the nearest dollar.

~~At the May 10, 2000 Governing Board meeting, the Board clarified that the “business interests of Foothill Transit” shall include:~~

Business interests of Foothill Transit shall include

- Attendance at Executive Board ~~or cluster~~ meetings
- Attendance at Executive Board briefings
- Participation at relevant transit conferences
- Participation in transit “fact finding” trips
- Participation in legislative/public affairs activities

Further, **Executive Board alternates** who attend meetings in place of an Executive Board member are eligible for a stipend ~~\$100~~ equal to that of the Executive Board member based on the above stated formula per meeting not to exceed six meetings per month.

Governing Board Stipend Policy

~~Also at the May 10, 2000 meeting, the Board approved the following policy:~~

Governing Board members shall receive a stipend of \$100 plus United States Department of Labor Bureau of Labor Statistics Consumer Price Index (CPI) for the Los Angeles Area per meeting when representing the business interests of Foothill Transit, **not to exceed six meetings annually** and excluding ceremonial appearances effective July 1, 2015 and increased annually thereafter based on CPI to the nearest dollar. Governing Board members will not receive stipends for attendance at Executive Board meetings where they are not

serving as an Executive Board alternate. In addition, a member of the Governing Board may not receive a stipend as both a Governing Board and Executive Board member for the same meeting.

The business interests of Foothill Transit for Governing Board members shall include:

- Attendance at Governing Board meetings ~~and hearings~~
- ~~Attendance at cluster breakfasts or other cluster activities~~

Governing Board alternates who attend meetings in place of a Governing Board member are eligible for a stipend equal to that of the Executive Board member based on the above stated formula per meeting not to exceed six meetings per year.